

**PURCHASED WATER ADJUSTMENT OF)
SOUTH SIDE WATER ASSOCIATION, INC.) CASE NO. 9959**

O R D E R

The Commission, having reviewed the evidence of record and being advised, is of the opinion and finds that:

1. South Side's supplier, City of Beattyville, increased its rate for wholesale water from \$1.16 per 1,000 gallons to \$1.50, effective June 2, 1987.
2. South Side adjusted the rates to its customers effective August 1, 1987.
3. South Side purchased 22,027,000 gallons of water during the 12 months ending April 30, 1987, and sold 19,512,000 gallons.

4. The increase in the cost of purchased water is \$7,489, resulting in a purchased water adjustment of \$.38 per 1,000 gallons of water.

5. The calculations made by South Side are incorrect in that the purchased water adjustment was determined by subtracting the base rate of \$1.16 per 1,000 gallons from the changed rate of \$1.50 rather than by the method prescribed by 807 KAR 5:068 and shown in Appendix B.

6. The purchased water adjustment of \$.38 per 1,000 gallons and the rates in Appendix A are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The purchased water adjustment and rates proposed by South Side are hereby denied.

2. The purchased water adjustment of \$.38 per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after August 1, 1987.

3. Within 30 days of the date of this Order, South Side shall file its revised tariff sheets setting out the rates approved herein.

4. Within 30 days of the date of this Order, South Side shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 6th day of August, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 9959 DATED AUGUST 6, 1987.

The following rates and charges are prescribed for the customers in the area served by South Side Water Association, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

<u>USAGE BLOCKS</u>	<u>MONTHLY RATES</u>
First 2,000 gallons	\$8.81 Minimum
Next 4,000 gallons	3.73 per 1,000 gallons
Next 4,000 gallons	2.98 per 1,000 gallons
Next 15,000 gallons	2.63 per 1,000 gallons
Next 25,000 gallons	2.43 per 1,000 gallons
Over 50,000 gallons	2.13 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 9959 DATED 8/6/87.

PURCHASED WATER ADJUSTMENT CALCULATIONS

Purchases: 22,027,000 gallons
Sales: 19,512,000 gallons

Cost at Changed Rate:

22,027 m. gallons x \$1.50 = \$33,040.50
Less

Cost at Base Rate:

22,027 m. gallons x \$1.16 = \$25,551.32

Increase in Costs: \$ 7,489.18

\$7,489.18 ÷ 19,512 m. gallons sold = \$.38 per 1,000 gallons